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SUBJECT: Transatlantic Consumer Dialogue Annual Recommendations

**¶11. (U)** Summary: The Transatlantic Consumer Dialogue (TACD) recommendations for USG and EU engagement include increased effort on the financial crisis, climate change, upstream regulatory co-operation, and bilateral co-operation in various sectors. End summary.

**¶12. (U)** In advance of the October 27 meeting of the Transatlantic Economic Council (TEC), the TACD has submitted its annual recommendations to both the USG and the EU. The report was optimistic about the TEC and praised both Commission President Barroso and President Obama for their commitment and support of the TEC. With respect to the financial crisis, TACD strongly recommends that consumer protection in financial services become a core focus of the Financial Markets Regulatory Dialogue and also recommends organizing a joint conference to address these issues. The report questions why pre-existing transatlantic financial regulation was unable to avert the current crisis. Additionally, they question whether mutual recognition will be effective in averting a future crisis, and how issues on the TEC agenda will have a beneficial impact on citizens.

**¶13. (U)** To address climate change issues, TACD recommends focusing on product lifecycles, including resource extraction, production, sales, use and disposal phases. They also recommend the establishment of a forum to address existing barriers to consumer action, by enforcing common product standards that reflect the product lifecycle, more effective labeling schemes, supporting "choice editing" policies and legislation, and addressing misleading product claims.

**¶14. (U)** With respect to upstream regulatory co-operation, the TACD cautions against widespread of mutual recognition for all products and instead recommends a focus on upstream regulation. A number of services would benefit from such regulation, according to TACD, including: financial services, nanotechnology, RFID, product and food safety, energy efficiency requirements and e-health.

**¶15. (U)** Relating to specific areas of bilateral co-operation, the report mentions nanotechnology, product safety, digital rights, health and nutrition, innovation and intellectual property, and better regulation and regulatory review. They believe that mandatory requirements are needed as opposed to the voluntary reporting of products containing nanoparticles on the market. They also encourage further co-operation on safety issues, particularly in the area of pharmacovigilance. They request that discussions of the European Commission's proposed Digital Agenda be added to the TEC discussions; issues of interest include access to online content and privacy issues in the context of data protection legislation.

**¶16. (U)** The TACD would also encourage TEC discussions on labeling and the advertising of food to children. They mention a range of mechanisms to stimulate innovation, from strong patent rights to innovation inducement prizes and publicly funded research. With regards to impact analysis, it is recommended that assessments be made not only based on economic data, but also on non-economic impacts such as long-term impacts on health, safety and environment.

**¶17. (U)** While appreciating the progress and focus of the TEC, TACD

notes that they do not consider 2015 a realistic deadline for achieving a barrier-free transatlantic market. On the other hand, they welcome greater labor and legislator involvement in the TEC. They also request that stakeholders be involved at an earlier stage of the decision-making process for their participation to be more meaningful in the TEC.

MURRAY